



MESTA ELECTRONICS, INC.

Standard Terms and Conditions of Sale

This Agreement is based on Buyer's agreement to the terms and conditions contained herein. Seller hereby objects to any terms that are different or additional. Buyer's acceptance of the goods or services shall manifest Buyer's assent to Seller's terms and conditions.

Pricing - Prices are firm for orders meeting Seller's normal shipping schedules at time of order. If shipments are held or delayed for any reason caused by the buyer, and a price increase becomes effective during the period of such hold or suspension, the increase will apply to all shipments, which are held or delayed thirty (30) days or more from the effective date of the increase.

Payments - Seller may reject any order from Buyer for any reason including Buyer's credit worthiness. Seller may require payment to be made through an irrevocable letter of credit established by Buyer at its expense. Seller may revoke its acceptance of any order without liability to Buyer if credit approval is denied prior to shipment or a letter of credit required by Seller is not received at least 30 days prior to shipment. Late payments are subject to late fees of 1.5% per month on the unpaid balance.

Taxes - Prices do not include, unless specified and Buyer is responsible for, all taxes (except taxes on Seller's net U.S.A. income), tariffs and any similar charges imposed upon or in connection with products, or upon any document relating to the sale of products.

Title - All products shall remain the property of Seller until fully paid for in cash. Buyer agrees to perform all necessary acts to assure the retention of title to such property by Seller. Risk of loss to products shall pass to the Buyer upon delivery to Carrier at Seller's plant. Buyer agrees to provide insurance, beginning at the point of shipment, for loss or damage to the products.

Claims - Buyer agrees to check material against shipping papers immediately upon unloading at destination. Claims for shortage must be made to Seller immediately and confirmed in writing within ten (10) days. Buyer waives all claims not so made. Buyer must make claims for loss or damage in transit to the carrier. Seller may assist Buyer with such claims; any and all adjustments to be made must be between the Buyer and the carrier. Seller accepts no responsibility for loss or damage to product in transit.

Delivery - Products are delivered Free on Board, Point of Shipment, Freight is Prepaid and added to the invoice, or Collect at Seller's option. Buyer will be invoiced at the freight charges prevailing at the date of shipment.

Force Majeure - Seller shall not be liable for any delay in delivery or failure to deliver due to explosion, fire, strike shortage of utility, acts of God, flood, sabotage, delays in transportation, accident, war, civil commotion, compliance with or other action taken to carry out the intent or purpose of any law or regulation, or national defense requirements, or any other cause beyond Seller's reasonable control, whether or not similar to the above. In the event of shortage, Seller shall have the right to apportion its production among its customers in such manner as it may consider to be equitable.

Separate Sales - Each delivery shall constitute a separate sale with the same effect as though made under a contract covering only the amount thereof

Cancellation or Alteration - Buyer cannot cancel or alter any order without Seller's written consent. Buyer must pay for all expenses incurred including work executed, and materials purchased, up to the time Seller has consented to such alteration and cancellation. All orders delayed or deferred by Buyer will be subject to price escalation, cost of storage, increased cost of production, and any other expenses caused by the delay. Material on such orders will be stored at Buyer's risk. Seller reserves the right to invoice for work done on any delayed or deferred order.

Returning Product- Authorization and shipping instructions for the return of any products must be obtained by the Buyer from Seller before returning any product. Where a Buyer requests authorization to return product for reasons of its own, and Seller is agreeable to same, Buyer will be charged for placing the goods in saleable condition (restocking charge) and for transportation paid by Seller. In no event will Seller be responsible for any product returned without prior authorization.

Patent or Trademark Infringement - If the goods sold hereunder are to be prepared by seller according to Buyer's specifications, Buyer shall indemnify Seller against any claims or liability for patent, trademark, or copyright infringement on account of preparation, manufacture and/or sale. The design of the goods sold hereunder is proprietary, and/or utilizes proprietary information. Buyer will not copy, or facilitate the copying, of any goods provided by the Seller

Warranty - Seller warrants its products to be free from defects in materials and workmanship for a period of 1 year from the date of original shipment from the factory, provided the said product has not been abused, misused, or used outside of the specified conditions. Seller will be the sole determiner as to whether the unit has been abused or misused. Any necessary warranty service will be made available to the customer at the Seller's factory. If found to be defective, the unit will be repaired or replaced at the discretion of Seller. Before returning any unit, in or out of warranty, to Seller, Buyer must contact Seller's Customer Service Department. Any UNAUTHORIZED return of a unit to Seller for in-warranty or out-of-warranty repairs will be subject to an inspection and handling charge, in addition to all associated repair and transportation costs. Seller will be in no way responsible for any consequential damages of any kind or nature whatsoever resulting from the use of its unit in any manner whatsoever and/or from the breach of any warranty, express or implied.

Export Controls - Buyer warrants that it is and will remain in compliance with all U.S. export requirements, including but not limited to the Export Administration Act, The Arms Export Control Act, and any regulations, orders and licenses issued thereunder the ("Export Laws").

Resale of Goods - Seller's warranties are made only to Buyer. Seller makes no warranties to Buyer's customer or any other person. In the event of the resale or transfer of any of the goods sold hereunder, in whatever form, Buyer shall have no authority to make, nor will Buyer make, any warranty or representation to Buyer's customer or any other person on behalf of Seller.

Choice of Law - Any contract resulting from this sale shall be governed by the laws of State of Pennsylvania, without regard to its conflicts of law principles. Any action or proceeding shall be filed exclusively in the state or federal courts in Pittsburgh, Pennsylvania, USA.